Memorandum

To:

All Teale Customers

Date: October 8, 2002

From:

Stephen P. Teale Data Center

Subject: Security Project

As part of our ongoing efforts to provide customers with a secure environment for their information technology needs, the Teale Data Center has engaged IT security-certified consultants to conduct an ethical scanning and penetration program both internally and externally to Teale's firewalls. The purpose of this effort is to determine any vulnerability to our systems so that we may prevent a Teale IT infrastructure penetration. Additionally, this effort tests our intrusion detection system processes in order to further reinforce its effectiveness.

This program will be conducted during a four-week period beginning October 14, 2002. An additional four-week period is scheduled for February 2003. In both cases, the majority of the scanning and penetration efforts will take place after production hours (after 5:00 p.m.). Although we do not anticipate any impact to your systems, it is difficult to say with any certainty that this will not occur. Please, therefore, treat any security breaches as real and do not assume that it is the work of Teale consultants.

We appreciate your cooperation during this time and ask that you convey any concerns or questions to Claire Yee, Interim Assistant Director, Network Systems Division, at (916) 464-3959.

DEBORAH BRADY

Chief Deputy Director